

STATE OF MARYLAND

**MARYLAND DEPARTMENT OF THE ENVIRONMENT**

**Shari T. Wilson, Secretary**

**BILL NO:** HOUSE BILL 529

**COMMITTEE:** Environmental Matters

**POSITION:** Oppose

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**TITLE: Environment - Sewage Sludge Utilization Permit - Septage**

**BILL ANALYSIS:**

The proposed legislation covers these primary issues that would affect Departmental operations and funding:

1. Enhanced regulation of septage haulers under an existing sewage sludge utilization permitting program;
2. Formation of a standing Oversight Committee for Sewage Sludge Utilization; Authorization of the Secretary to lower permitted septage hauler fees and to reimburse publically-owned treatment facilities (POTWs) from the Bay Restoration Fund for a documented differential; and
3. Development/implementation of regulations.

The bill proposes to codify regulations that require a septage hauler to obtain a sewage sludge utilization permit. The Department currently delegates to local jurisdictions the regulation of and fee setting for septage haulers, because it is the local jurisdictions that own and operate POTWs. The additional provisions in the proposed legislation would require the Department to significantly enhance its control and oversight of a statewide program, including the expansion of uses for the Bay Restoration Fund to include reimbursements to POTWs.

The bill also directs the Department to staff a standing Oversight Committee on Sewage Sludge Utilization that would meet quarterly and produce an annual report. Among other charges, the Committee would advise the Department on changes to laws and regulations and advise the Secretary in reducing fees charged to permitted septage haulers.

Finally, the Secretary would be required to conduct an annual review of fees charged to the septage haulers and – with advice and oversight of the Committee – lower those fees paid by haulers to publically-owned treatment facilities in order to keep those haulers in business. The Secretary would also be authorized to provide Bay Restoration Fund monies to POTWs for any shortfall in expected fees due to the lowering of septage hauler fees.

**POSITION AND RATIONALE: OPPOSE**

The Department has an active regulatory program overseeing sewage sludge under authority provided in Environment Article Subtitle 9-2 and implemented by COMAR 26.04.06. The main components and goals are the permitting and enforcement of these laws, regulations, and permits to ensure that the environment and public health is protected from possible adverse impacts that could be caused by the improper utilization of sewage sludge, and the beneficial reuse of the nutrients available in treated sewage sludge. It is important to note that sewage sludge that is permitted for utilization such as land application on agricultural fields is extracted from raw sewage (i.e., septage) and further processed at a treatment plant primarily to reduce pathogens and make it safe for reuse. Although “transportation” is included in the definition of “sewage sludge utilization,” septage is raw sewage that is hauled by truck to a treatment facility for treatment, and therefore the regulation of septage is primarily a transportation issue.

As introduced, HB 529 would codify some of the Department’s current regulations for septage under COMAR 26.04.06.15. Currently, local governments are the primary implementers of requirements for septage haulers. Under the proposed legislation, the Department would be required to significantly enhance the regulation of septage haulers and either implement new requirements itself, or delegate the new requirements to be carried out by counties and local jurisdictions. This enhanced regulation by MDE would include controlling the fee structures currently set by local jurisdictions. The legislation would impose a number of additional activities on the Department. To the extent that local jurisdictions would be unwilling or unable to undertake the new regulatory requirements, the Department would have to enhance its program to handle the additional one-time and ongoing workload. At this time, the Department is unable to reliably estimate how much additional workload would be assumed under

the provisions of this bill. However, because it is reasonable to expect that the Department would take on a substantial part of this enhanced program, and because the Department has no excess capacity to implement the requirements of this legislation, there would be significant one-time and ongoing costs for the Department that would require substantial budgetary enhancement (see fiscal estimate spreadsheet).

Finally, HB529 would authorize the Bay Restoration Fund to be used to for reimbursement of lost revenue to publicly owned wastewater treatment facilities due to reduced septage disposal fees. MDE does not have expertise on setting septage disposal fees for wastewater treatment plants and businesses and this bill would provide an economic subsidy to septage haulers at the expense of the Bay Restoration Fund. This use will redirect funding needed to complete Enhanced Nutrient Removal which is needed to allow Maryland to meet its commitments under the 2000 Chesapeake Bay Agreement.

**FOR MORE INFORMATION,**  
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